

RD AN No. 3620 (1942-A)
March 5, 2001

TO: State Directors
Rural Development

FROM: James C. Alsop (Signed by James C. Alsop)
Acting Administrator
Rural Housing Service

SUBJECT: Population Limits for Community Facilities Loans and Grants

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) is being issued to clarify the population limit for Community Facilities (CF) direct and guaranteed loans and grants.

COMPARISON WITH PREVIOUS AN:

This AN updates AN No. 3513 that was issued January 19, 2000, and expired January 31, 2001.

IMPLEMENTATION RESPONSIBILITIES:

Section 730 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act 2000, Pub. L. 106-78, returned the definitions of the terms "rural" and "rural area" to the definitions in existence prior to passage of the Federal Agriculture Improvement and Reform Act of 1996. Therefore, the definition of rural and rural area is defined as any area in any city or town that has a population not in excess of 20,000 inhabitants, according to the latest decennial census of the United States. There is no population limitation placed on essential community facilities located in open rural areas.

An essential community facility must be located within an eligible rural community as defined above. It may be adjacent to, or closely related to, a nonrural area if it is determined that the facility primarily serves and benefits rural residents.

If you have any questions concerning eligibility of CF projects, please contact Messrs. Chad Parker, Director, Direct Loan and Grant Processing and Servicing Division, or C. Barth Miller, Director, Guaranteed Loan Processing and Servicing Division, Community Programs, (202) 720-1490, or FAX (202) 690-0471.

EXPIRATION DATE:
March 31, 2002

FILING INSTRUCTIONS:
Preceding RD Instruction 1942-A